

**WELLS  
FARGO**

Wells Fargo Bank, N.A.

MAC U1502-011  
3 North Main  
Po Box 100  
Nephi, UT 84648  
435 623-0475  
435 623-2026 Fax  
800 869-3557 24 Hr. Customer Service

December 5, 2006

State of Utah, Dept. of Natural Resources  
Division of Oil, Gas, and Mining  
1594 West North Temple Ste 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

Attn: Beth Ericksen

This letter acknowledges receipt of a Reclamation Surety by Wells Fargo Bank from the Division of Oil, Gas, and Mining. The bank agrees to the terms and instructions of the CD agreement letter. An administrative hold (restriction) has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the CD agreement letter.

Mine Site: S/023/057, ML47821&46956/CUBICAL2  
Operator Name: Michael and/or Sandra Sprunger  
Account Number: \_\_\_\_\_  
Original Acknowledgement: 03-05-1998

Sincerely,



Lon R. Wickel  
Store Manager

☒ **APPROVED**

**RECEIVED**

**DEC 08 2006**

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

November 27, 2006

Wells Fargo Bank  
3 North Main  
Post Office Box 100  
Nephi Utah 84648

Attention: Debbie Robinson\_435 623 2860

Subject: Reclamation Surety, Certificate of Deposit for Michael and/or Sandra Sprunger  
ML 47821 &46956 Cubical 2 Mine Site S/023/57, Juab County, Utah

Certificate of Deposit no. \_\_\_\_\_ Principal Amount \$1265.92.

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ML 47821 &46956 Cubical 2 mine site ("Mine Site"), Juab County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$1265.92 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations

#### **Ownership and Renewal:**

Ownership of the CD is retained by Michael and/or Sandra Sprunger, individual(s), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis.



This letter grants approval by Michael and/or Sandra Sprunger for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

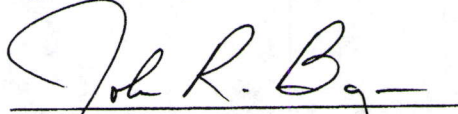
**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial

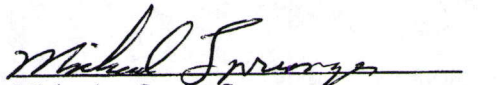
amount, \$1265.92. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

Agreed Upon By:

  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 12/13/2006

  
Michael or Sandra Sprunger  
Social Security Number:                     

Date: 12/5/06

  
Lon R. Wickel, Branch Manager  
Wells Fargo Bank

Date: December 5, 2006



**WELLS  
FARGO**

Wells Fargo Bank, N.A.

MAC U1502-011  
3 North Main  
Po Box 100  
Nephi, UT 84648  
435 623-0475  
435 623-2026 Fax  
800 869-3557 24 Hr. Customer Service

December 5, 2006

State of Utah, Dept. of Natural Resources  
Division of Oil, Gas, and Mining  
1594 West North Temple Ste 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

Attn: Beth Ericksen

This letter acknowledges receipt of a Reclamation Surety by Wells Fargo Bank from the Division of Oil, Gas, and Mining. The bank agrees to the terms and instructions of the CD agreement letter. An administrative hold (restriction) has been placed on the account in the amount identified below until such time redemption or release authorization is provided by the Division in accordance with the instructions per the CD agreement letter.

Mine Site: S/023/057, ML47821&46956/CUBICAL2  
Operator Name: Michael and/or Sandra Sprunger  
Account Number: \_\_\_\_\_  
Original Acknowledgement: 06-01-1995

Sincerely,



Lon R. Wickel  
Store Manager

☒ **APPROVED**

**RECEIVED**

**DEC 08 2006**

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Oil, Gas & Mining

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

November 27, 2006

Wells Fargo  
3 North Main  
Post Office Box 100  
Nephi Utah 84648

Attention: Debbie Robinson 435 623 2860

Subject: Reclamation Surety, Certificate of Deposit for Michael and/or Sandra Sprunger  
ML 47821 & 46956 Cubical 2 Mine Site S/023/057, Juab County, Utah  
BLM Serial Number 070641

Certificate of Deposit no.                     , Principal Amount \$500.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ML 47821 & 46956 Cubical 2 mine site ("Mine Site"), Juab County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$500.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the BLM (agency, i.e. BLM, USFS, etc.) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

#### **Ownership and Renewal:**

Ownership of the CD is retained by Michael and/or Sandra Sprunger, individual(s) but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and BLM and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division and the BLM and agrees to record the information in the bank's written and electronic records of book entry.



Further, the bank acknowledges and agrees that it shall hold the moneys represented by the CD's as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement.

The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Michael and/or Sandra Sprunger for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

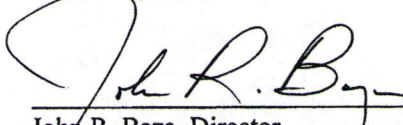
The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

**Accrued Interest:**


Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$500.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**


Agreed Upon By:

  
\_\_\_\_\_  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 12/13/2006

  
\_\_\_\_\_  
Michael or Sandra Sprunger  
Social Security Number: \_\_\_\_\_

Date: 12/5/06

  
\_\_\_\_\_  
Lon R. Wickel, Branch Manager  
Wells Fargo Bank

Date: December 5, 2006





Wells Fargo Bank, N.A.

MAC U1502-011  
3 North Main  
Po Box 100  
Nephi, UT 84648  
435 623-0475  
435 623-2026 Fax  
800 869-3557 24 Hr. Customer Service

December 5, 2006

State of Utah, Dept. of Natural Resources  
Division of Oil, Gas, and Mining  
1594 West North Temple Ste 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

Attn: Beth Ericksen

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Mine Site: S/023/057, ML47821&46956/CUBICAL2  
Operator Name: Michael and/or Sandra Sprunger  
Account Number: \_\_\_\_\_  
Original Acknowledgement: 06-14-2001

Sincerely,

Lon R. Wickel  
Store Manager

☒ APPROVED

RECEIVED

DEC 08 2006

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

November 27, 2006

Wells Fargo Bank  
3 North Main  
Post Office Box 100  
Nephi Utah 84648

Attention: Debbie Robinson 435 623 2860

Subject: Reclamation Surety, Certificate of Deposit for Michael and/or Sandra Sprunger  
ML 47821 & 46956 Cubical 2 Mine Site S/023/057, Juab County, Utah

Certificate of Deposit no. ' \_\_\_\_\_ ' Principal Amount \$1250.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ML 47821 & 46956 Cubical 2 mine site ("Mine Site"), Juab County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$1250.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Michael and/or Sandra Sprunger, individual(s), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis.



This letter grants approval by Michael and/or Sandra Sprunger (name of operator) for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

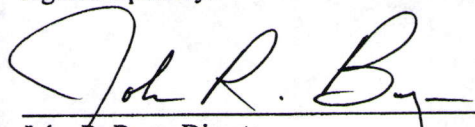
**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial


amount, \$1250.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**


Agreed Upon By:

  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 12/13/2006

  
Michael or Sandra Sprunger  
Social Security Number:   

Date: Dec 5, 2006

  
Lon R. Wickel, Branch Manager  
Wells Fargo Bank

Date: December 5, 2006





Wells Fargo Bank, N.A.

MAC U1502-011  
3 North Main  
Po Box 100  
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800 869-3557 24 Hr. Customer Service

December 5, 2006

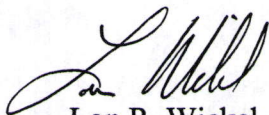
State of Utah, Dept. of Natural Resources  
Division of Oil, Gas, and Mining  
1594 West North Temple Ste 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

Attn: Beth Ericksen

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Mine Site: S/023/057, ML47821&46956/CUBICAL2  
Operator Name: Michael and/or Sandra Sprunger  
Account Number:   
Original Acknowledgement: 04-19-2004

Sincerely,

  
Lon R. Wickel  
Store Manager

☒ APPROVED

RECEIVED

DEC 08 2006

DIV. OF OIL, GAS & MINING





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

November 27, 2006

Wells Fargo Bank  
3 North Main  
Post Office Box 100  
Nephi Utah 84648

Attention: Debbie Robinson 435 623 2860

Subject: Reclamation Surety, Certificate of Deposit for Michael and/or Sandra Sprunger,  
ML 47821 & 46956 Cubical 2 Mine Site S/023/057, Juab County, Utah

Certificate of Deposit no. \_\_\_\_\_ Principal Amount \$1148.44.

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ML 47821 & 46956 Cubical 2 mine site ("Mine Site"), Juab County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$1148.44 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Michael and/or Sandra Sprunger, individual(s), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis.



This letter grants approval by Michael and/or Sandra Sprunger for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

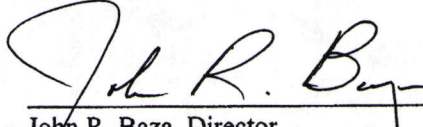
**Accrued Interest:**

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial

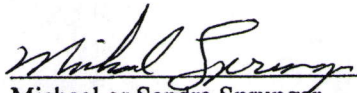
amount, \$1148.44. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

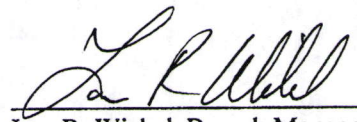
Agreed Upon By:

  
\_\_\_\_\_  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 12/13/2006

  
\_\_\_\_\_  
Michael or Sandra Sprunger  
Social Security Number:                     

Date: 12/5/06

  
\_\_\_\_\_  
Lon R. Wickel, Branch Manager  
Wells Fargo Bank

Date: December 5, 2006